

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2021-78-E - ORDER NO. 2021-332
MAY 7, 2021

IN RE: Joint Petition of Mid-Carolina Electric)	ORDER APPROVING
Cooperative, Incorporated and Dominion)	REASSIGNMENT OF
Energy South Carolina, Incorporated for the)	TERRITORY,
Reassignment of Territory in Lexington and)	EXCHANGE OF
Saluda Counties, Exchange of Certain)	CERTAIN CUSTOMERS,
Customers, and Transfer of Assets, and)	TRANSFER OF ASSETS,
Approval of Agreements to Limit Corridor)	AND AGREEMENTS TO
Rights)	LIMIT CORRIDOR
)	RIGHTS

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (“the Commission”) on the Joint Petition of Mid-Carolina Electric Cooperative, Inc. (“MCEC”) and Dominion Energy South Carolina, Inc. (“DESC”) (together the “Joint Petitioners”) for reassignment of certain territory in Lexington and Saluda Counties, approval of the transfer of facilities and existing customers and members (“Customers”) between them, and approval of agreements to eliminate “corridor rights” to the extent they exist in the specified areas. The Joint Petition was filed pursuant to the Territorial Assignment Act, S.C. Code Ann. §§ 58-27-610 to -690 (2015).

II. DISCUSSION

Specifically, this proceeding arises in part under the Commission's authority in S.C. Code Ann. § 58-27-650 to reassign the service area of one electric supplier to another. Further, under S.C. Code Ann. § 58-27-620(8), the Commission may approve agreements between electric suppliers concerning corridor rights. Section 58-27-650 states "[the] Public Service Commission, upon agreement of the affected electric suppliers, is authorized to reassign to one electric supplier any area or portion thereof theretofore assigned to another...." S.C. Code Ann. § 58-27- 620(8) (2015) provides that "the commission shall have the authority to approve agreements between electric suppliers concerning corridor rights."

In conformity with this authority, the Joint Petitioners request that the Commission:

(A) reassign various territories within Saluda County, along with the exchange of various customers and transfer of facilities in the Crystal Cove Community, in accordance with the Joint Petitioners' negotiated agreement;

(B) approve the agreement to limit corridor rights in specified areas;

(C) reassign territory, exchange customers, and transfer facilities in the Rocky Retreat Community within Lexington County in accordance with the Joint Petitioners' negotiated agreement;

(D) approve the agreement to limit corridor rights in further specified related areas;

(E) reassign territory in the Carrington Community within Lexington County in accordance with the Joint Petitioners' negotiated agreement;

(F) approve the agreement to limit corridor rights in more specified related areas;

(G) reassign territory in the White Water Community within Lexington County in accordance with the Joint Petitioners' negotiated agreement;

(H) approve an additional agreement to limit corridor rights in related areas;

(I) reassign territory in the Clipper Trail Community within Lexington County in accordance with the Joint Petitioners' negotiated agreement;

(J) approve another agreement to limit corridor rights in specified areas;

(K) reassign territory in the Highway 1 at Dixired Area within Lexington County in accordance with the Joint Petitioners' negotiated agreement;

(L) approve a related Agreement to limit corridor rights in the related areas.

Joint Petitioners state that they have negotiated all of the issues that are the subject of this petition on an integrated basis; therefore, while their requests involve different geographical areas, these areas were considered concurrently and in combination during Petitioners' negotiations. Further, the Joint Petitioners allege that no suppliers other than the Joint Petitioners provide electric service in the areas that are the subject of this Petition; as such, no facilities or service territories of any other electric suppliers other than Joint Petitioners are affected by the changes the Joint Petitioners propose herein.

Further, Joint Petitioners assert that each of them is fully capable of furnishing adequate and dependable electric service in the areas that each now serves and would serve upon the Commission's granting of this Petition. Petitioners state that they have carefully considered the public convenience and necessity in their negotiations and believe the reassignments of territory, exchange of customers, and transfer of facilities described herein are in the public interest and assert that the Commission's approval of this Petition will be in the public interest. In agreeing to the reassignment of service territory, exchange

of customers, and transfer of facilities described in this Petition, MCEC and DESC assert that they have given careful consideration to system economy, service reliability and good utility practice, efficiency and safety — all of which support a finding that the reassignment of territory, exchange of customers, and transfer of facilities set forth herein promote public convenience and necessity.

With regard to the exchange of customers, all customers were notified of the proposed changes. At first, two customers objected, but the objections were subsequently withdrawn.

In particular, among other important considerations, the Joint Petitioners note that they have addressed the need to reduce the number of overhead distribution lines crossing Lake Murray. Under the proposed customer and facility transfers, MCEC and DESC and will each be able to eliminate two lake crossings. Moreover, the reassignment of these territories will avoid the duplication of utility facilities in these areas, according to the Joint Petitioners.

The Office of Regulatory Staff does not object to the Joint Petition.

III. LAW

Upon the agreement of the affected electric suppliers, the Commission may reassign portions of previously assigned service areas, pursuant to S.C. Code Ann. §58-27-650 (A). The standard that must be examined is whether the reassignment is required by the public convenience and necessity. In determining whether or not the reassignment is required by the public convenience and necessity, the Commission shall consider, among other things, the adequacy and dependability of the service of the affected electric

suppliers. The Commission, however, cannot consider rate differentials between the electric suppliers.

Further, the Commission has the authority to approve agreements between electric suppliers concerning corridor rights. After notice and opportunity to be heard, the Commission may approve such agreements if it finds the agreements to be fair and reasonable.

IV. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Mid-Carolina Electric Cooperative, Inc. and Dominion Energy South Carolina, Inc. propose reassignment of territory in Lexington and Saluda Counties, exchange of certain customers, transfer of assets, and approval of agreements to limit corridor rights.

2. Both MCEC and DESC furnish adequate and dependable service.

3. The Commission has the authority to determine whether the reassignment of territory is required by the public convenience and necessity.

4. The Commission may approve agreements to limit corridor rights if the agreements are fair and reasonable.

5. The Commission may approve the exchange of customers and the transfer of assets.

6. The Joint Petitioners have demonstrated that the public convenience and necessity requires the reassignment of territory proposed.

7. The Joint Petitioners have given careful consideration to system economy, service reliability and good utility practice, efficiency and safety — all of which support a

finding that the reassignment of territory, exchange of customers, and transfer of facilities are required by the public convenience and necessity.

8. The proposed reassignment of territory, exchange of customers and transfer of facilities should be approved as filed.

9. The reassignment of territory and transfer of customers and facilities supersede any prior territorial assignments.

10. The agreements to limit corridor rights are fair and reasonable and should be approved as filed.

11. Amended territorial assignment maps for Lexington County and Saluda County should be filed to reflect the approved modifications in territorial assignments.

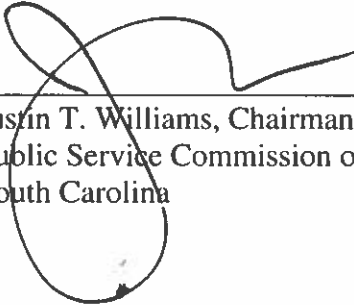
V. ORDERING CLAUSES

1. The proposed reassignment of territory, exchange of customers, transfer of facilities, and the agreements to limit corridor rights are hereby approved as filed.

2. The Joint Petitioners shall file amended territorial assignment maps for Lexington and Saluda Counties to reflect the modifications in territorial assignment herein approved as soon as practicable.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Justin T. Williams, Chairman
Public Service Commission of
South Carolina